

# The California Solar Initiative

## 1. What is the California Solar Initiative?

The California Solar Initiative (CSI) provides up to **\$2.9 billion in incentives** between 2007 and 2017, divided as follows:

1. **The California Public Utilities Commission (PUC)** will oversee a \$2.5 billion program for commercial and existing residential customers, funded through revenues and collected from gas and electric utility distribution rates.
2. **The California Energy Commission (CEC)** plans to develop a \$350 million program to target new residential building construction, utilizing funds already allocated to the CEC to foster renewable projects between 2007 and 2011.

## 2. Who is eligible for incentives?

**All electric and gas customers of PG&E, SCE, SDG&E, and Southern California Gas Company** are eligible to apply for incentives.

## 3. Are municipal utility consumers eligible for the rebate?

**If a municipal electricity customer takes gas service** from PG&E, SoCal Gas, or SDG&E, that customer will be eligible for solar rebates.

## 4. How much are the incentives?

Effective January 1, 2006, the program pays **\$2.80 per watt** for photovoltaics. Incentives will be reduced by an average of approximately 10 percent annually, declining to zero in 2017.

By January 2007, the PUC intends to explore ways to develop a **pay-for-performance incentive structure** to reward high-performing solar projects.

## 5. How do I apply for incentives?

During 2006, customers interested solar incentives offered should contact the following:

- **Residential and small business customers** (PV under 30 kW) should contact the California Energy Commission  
**800-555-7794 (toll-free in California)**  
916-654-4058 (outside California)  
renewable@energy.state.ca.us
- **Systems 30 kW or larger**, contact your **local electric or gas utility**, except in San Diego, where customers should contact the San Diego Regional Energy Office.

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### 6. What types of solar technologies are eligible?

In 2006, customer-side **photovoltaics up to 5 MW** capacity are eligible, although incentives are paid only for the first MW.

Beginning 2007, **photovoltaics (PV) and solar thermal electric projects** will receive per watt **incentives for up to 5 MW**.

Incentive levels for **solar thermal electric projects**, including solar heating and cooling will be determined in 2006.

The Commission authorized a **pilot solar water heater (SWH)** incentive program for customers of San Diego Gas and Electric Company. If successful, the PUC could offer SWH incentives statewide.

### 7. Are there special incentives for low-income housing?

**Ten percent of program funds** are allocated for low-income and affordable housing. The PUC intends to explore whether to offer additional incentives or low-cost financing.

### 8. Does my building need to meet specific energy efficiency requirements?

**New structures:** new construction is already required to meet certain energy efficiency standards, which will be familiar to your contractor or developer.

**Existing structures:** In 2006, existing structures are **not required to meet any specific energy efficiency standards**. The PUC and CEC will develop energy efficiency requirements this year, which will be in place by January 2007

### 9. What is the cost to consumers?

The estimated average cost to a residential electric customer will be approximately \$15 a year; the average residential natural gas cost will be approximately \$2 per year. However, the total impact on a residential customer's monthly bill is expected to be minimal in most cases, because the cost of this program will be largely offset by the expiration, at the end of 2007, of a surcharge on utility bills to repay rate reduction bonds authorized in 1996 for electric restructuring.

### 10. Do I pay a surcharge to my utility even if I don't sign-up for solar?

There will **not be a separate surcharge** on your bill. The costs of the solar program will be included in the **distribution component of your utility bill**.

**All utility customers will pay for the program** except for low-income customers who qualify for California Alternate Rates for Energy (**CARE**) and/or Family Energy Rate Assistance (**FERA**).

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### **11.What is CARE and FERA? How do I find out if I qualify?**

Low-income customers that are enrolled in the CARE program receive a 20 percent discount on their electric and natural gas bills and other rate exemptions.

Families whose household income slightly exceeds the low-income energy program allowances will qualify to receive Family Energy Rate Assistance (FERA) discounts, which bills some of their electricity usage at a lower rate.

Customers should contact their local utility for more information.

### **12.How does the rebate program work once I contact the program administrator?**

Experienced solar installers typically contact the program administrator on the customer's behalf to apply for the rebate and arrange for the project to be interconnected to the utility system. The installer may also apply for local permits, if applicable. Some cities charge user or permit fees, which vary among cities.

- Step 1** The program administrator will provide you or your installer with a rebate application form. After the program administrator receives your completed application, it will reserve rebate funds based on the size of your solar project. These funds will be reserved for approximately 60-90 days, by which time you must provide adequate proof of progress towards installing your system. Your system does not have to be installed within this period, but the utility will require you to provide documentation to prove you are serious about moving forward with the project.
- Step 2** When your system is installed, you or your installer will contact the utility for permission to connect your system to the utility grid.
- Step 3** Once your system is approved, you will provide proof of payment to the program administrator, and receive your rebate.

### **13.If I install solar, how will it impact my utility bill? Can you give an example of how my power expenses will reduce over time if I install solar?**

When the sun is shining, your solar system generates electricity, which means, you will purchase less electricity from the local utility. Over the course of one year, your utility will track the amount of electricity your system has fed into the grid, and use this credit to offset the costs of power purchased from the utility when your system does not generate electricity, i.e. cloudy days or at night. At the end of the year, the utility will true up how much electricity it provided to you, and compare it to how much your system fed back to the

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utility grid. If you produced more than you consumed, your bill will be zero. If you used more electricity than you generated, you will only pay the difference. This process is called net metering. This works for solar systems 1 MW or less in size.

### 14. Why can't the utility pay me if I generate more electricity than I can use during this one-year period?

California's net metering law doesn't require the utilities to do so. See Public Utilities Code 2827.

### 15. How do I get this law changed?

Contact your state legislator.

### 16. How much money does each utility receive for rebates?

\$2.5 billion will be allocated to the utilities as follows:

Year	PG&E	SCE	SDG&E	SoCalGas	Total
2007	\$154	\$119	\$45.5	\$31.5	\$350
2008	\$154	\$119	\$45.5	\$31.5	\$350
2009	\$154	\$119	\$45.5	\$31.5	\$350
2010	\$121	\$93.5	\$35.75	\$24.75	\$275
2011	\$121	\$93.5	\$35.75	\$24.75	\$275
2012	\$121	\$93.5	\$35.75	\$24.75	\$275
2013	\$77	\$59.5	\$22.75	\$15.75	\$175
2014	\$77	\$59.5	\$22.75	\$15.75	\$175
2015	\$77	\$59.5	\$22.75	\$15.75	\$175
2016	\$44	\$34	\$13	\$9	\$100
<b>Total</b>	<b>\$1,100</b>	<b>\$850</b>	<b>\$325</b>	<b>\$225</b>	<b>\$2,500</b>

### 17. How will you monitor the success of the CSI?

The PUC will select an independent consultant to perform periodic program evaluations. We anticipate making improvements to the program based on these evaluations, staff research, and input from the public. Our ultimate goal is to mainstream efficient, affordable PV and other solar technologies.

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**Self Generation Incentive Program Contact Information (for**  
**projects in 2006)**

**Southern California Edison Company**

Mailing Address: Program Manager  
Self Generation Incentive Program  
c/o Southern California Edison  
2131 Walnut Grove Ave., 3<sup>rd</sup> floor, MS B10  
Rosemead, CA 91770  
Email address: greenh@sce.com  
Telephone: 800-736-4777  
Fax: 626-302-6253

**Pacific Gas and Electric Company**

Mailing Address: Self-Generation Incentive Program  
P.O. Box 770000  
Mail Code B27P  
San Francisco, CA 94177  
Phone Number: 415 973-6436  
Fax Number: 415 973-2510  
E-mail address: selfgen@pge.com

**San Diego Regional Energy Office**

Mailing Address: San Diego Regional Energy Office  
8520 Tech Way, Suite 110  
San Diego, CA 92123  
Telephone: 858-244-1177 (local)  
866-SDENERGY (733-6374) toll free  
Fax: 858-244-1178  
Email address: energyhelp@sdenergy.org

**Southern California Gas Company**

Mailing Address: Self-Generation Incentive Program Administrator  
Southern California Gas Company  
555 West Fifth Street  
GT22H4  
Los Angeles, CA 90013  
Fax: 213-244-8222  
Telephone: 866-DG-REBATE  
Email address: selfgeneration@socalgas.com

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### **California Energy Commission**

Telephone: 800-555-7794 (toll-free in California)  
916-654-4058 (outside California)  
Email address: [renewable@energy.state.ca.us](mailto:renewable@energy.state.ca.us)